

**CARE India Solutions for Sustainable Development**

Statutory Audit for the year ended

31 March 2015

# B S R & Company

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurgaon - 122 002 (India)

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## Independent Auditor's Report

### To the Members of CARE India Solutions for Sustainable Development

#### 1. Report on Financial Statements

We have audited the accompanying financial statements of **CARE India Solutions for Sustainable Development** ('the Company') which comprise the Balance Sheet as at 31 March 2015, the Income and Expenditure Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### 2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.


#### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.




## B S R & Company

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### 4. Basis for Qualified Opinion

- (i) Attention was invited to Note 22 which explains the position regarding the significant non-compliances of Section 11(2) of the Foreign Contribution (Regulation) Act, 2010 during the previous years. During the year 2012-13, the Company had received foreign contribution from certain parties, situated outside India, aggregating Rs. 283,255,616 (including Rs. 267,629,262 received in the year 2011-12) without obtaining prior permission from Ministry of Home Affairs (MHA). The said funds were received in bank account maintained for local funds and the Foreign Inward Remittance Certificates relating to this foreign contribution indicates that these funds have been received by the Company for Business and Management Consultancy and Public Relations. This had also resulted in non compliance of Section 17(1) of the Foreign Contribution (Regulation) Act, 2010 as the foreign funds were received in the bank account maintained for local funds. The Company had indicated to us that these funds are grants to be characterized as Foreign Contribution and these are not for any services liable for any tax in India. We have been informed that the Company has filed the necessary condonation application with the MHA. The Company believes that since it has voluntarily disclosed the factual information, MHA may take a favourable view and it may not be liable for any material liability in this regard. Accordingly, we are unable to express an opinion in the matter as the levy of any penalty or further direction is at the sole discretion of MHA. This was a subject matter of qualification in the previous year also.
- (ii) Attention is invited to Note 23 wherein the Company is recognising its Grants and Donations income on cash basis and not on accrual basis. This policy is consistently followed by the Company from the previous years. This is not in accordance with the requirement of mandatory Accounting Standard 1-Disclosure of Accounting Policies as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which requires the Company to follow accrual method of accounting. Since the Company has not worked out the impact of this non-compliance with the accounting standard, we are unable to express an opinion the matter and the consequential impact on the excess of income over expenditure for the year, Reserve and Surplus as at the year end and on the determination of amount to be applied for charitable purposes u/s 11(1)(a) of the Income-tax Act, 1961 for the current and previous years. This was a subject matter of qualification in the previous year also.
- (iii) Attention is invited to note 24 wherein it is mentioned that the Company has recognized the retirement liability related to gratuity and leave encashment on an arithmetical basis instead of providing it on an actuarial basis. This is not as per the requirements of mandatory Accounting Standard- 15 'Employee Benefits' as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This has resulted in excess provision of gratuity and leave encashment by Rs. 11,600,521 (previous year Rs. 4,184,442). Had the Company measured its liability basis actuarial valuation, the income of the Company would have been higher by Rs. 11,600,521 (previous year Rs. 4,184,442) and the provision for gratuity and leave encashment would have been lower by the similar amount. This was a subject matter of qualification in the previous year also.
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Further, the Company is not bifurcating liability related to gratuity and leave encashment between current and non-current. The entire liability is disclosed as current in the financial statements.

#### 5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for matters stated in the paragraph in Basis for Qualified Opinion, the impact of which is not ascertained by the Company, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2015; and
- (ii) in the case of the Income and Expenditure Account, of the excess of expenditure over income for the year ended on that date.
- (iii) in the case of the Cash flow statement, its cash flow for the year ended on that date.

#### 6. Emphasis of Matter

We draw attention to Note 25 wherein based on the legal opinion received, the Company is of the view that the activities of the Company are covered under "charitable purpose" as defined under section 2(15) of the Income-tax Act, 1961 and accordingly no provision for tax has been made in these financial statements. Our opinion is not qualified in respect of this matter.

#### 7. Report on Other Legal and Regulatory Requirements

- (i) The Company is licensed to operate under Section 8 of the Companies Act, 2013 (the Act). Accordingly the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable.
- (ii) As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, the Income and Expenditure Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) except for the effects of the matter (ii) and (iii) described in the basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. and



- e) on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164(2) Companies Act, 2013.
- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Gurgaon  
Date: 18 September 2015

*For B S R & Company*  
*Chartered Accountants*  
Firm Registration No.: 128032W

  
**Sandeep Batra**  
*Partner*

Membership No.: 093320

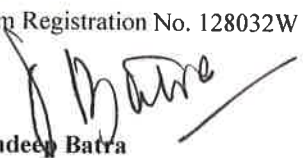
**Care India Solutions For Sustainable Development**  
**Balance Sheet as at 31 March 2015**  
(All amounts are in Indian Rupees unless otherwise stated)

	Note	As at 31 March 2015	As at 31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	3	200	200
Reserves and surplus	4	179,552,513	100,567,451
		<b>179,552,713</b>	<b>100,567,651</b>
<b>Current liabilities</b>			
Trade payables	5	27,081,000	6,801,147
Other current liabilities	6	204,808,113	212,712,919
Short-term provisions	7	33,969,063	12,163,847
		<b>265,858,176</b>	<b>231,677,913</b>
		<b>445,410,889</b>	<b>332,245,564</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible fixed assets	8	50,540,977	16,937,628
Intangible fixed assets		1,426,372	76,789
Long-term loans and advances	9	10,154,864	1,101,256
		<b>62,122,213</b>	<b>18,115,673</b>
<b>Current assets</b>			
Cash and bank balances	10	254,466,233	227,590,595
Short-term loans and advances	11	128,719,797	84,752,909
Other current assets	12	102,646	1,786,387
		<b>383,288,676</b>	<b>314,129,891</b>
		<b>445,410,889</b>	<b>332,245,564</b>

**Significant accounting policies** 2  
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **BSR & Company**  
Chartered Accountants  
Firm Registration No. 128032W

  
**Sandeep Batra**  
Partner

Membership No: 093320  
Place: Gurgaon  
Date: 18 September 2015

  
**Nachiket Mor**  
Director

Place: New Delhi  
Date: 18 September 2015

For and on behalf of the Board of Directors of  
**Care India Solutions For Sustainable Development**

  
**Rajan Bahadur**  
Managing Director & CEO

Place: New Delhi  
Date: 18 September 2015

**Care India Solutions For Sustainable Development**  
**Income and Expenditure Account for the year ended 31 March 2015**  
(All amounts are in Indian Rupees unless otherwise stated)

	Note	Year ended 31 March 2015	Year ended 31 March 2014
<b>Income</b>			
Grants and donations received	13	1,656,862,211	802,590,055
Other income	14	39,073,050	27,227,086
<b>Total</b>		<b>1,695,935,261</b>	<b>829,817,141</b>
<b>Expenses</b>			
Project expenses	15	1,395,647,804	505,599,275
Training and material expenses		133,829,799	51,821,407
Subgrants to partners		180,176,520	32,615,610
Awareness and campaign charges		29,723,540	59,575,485
Other administrative expenses	16	6,219,091	17,354,089
Depreciation	8	23,220,136	2,757,622
<b>Total expenditure</b>		<b>1,768,816,890</b>	<b>669,723,488</b>
<b>Excess of expense over income</b>		<b>(72,881,629)</b>	<b>160,093,653</b>
<b>Appropriations</b>			
Less: Transfer from asset fund account		23,220,136	2,757,622
Amount transferred to general fund		<b>(49,661,493)</b>	<b>162,851,275</b>

**(Earning) per equity share:**

Basic	(2,483,075)	8,142,564
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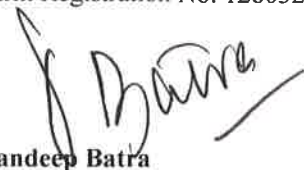
**Significant accounting policies**

2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **BSR & Company**  
Chartered Accountants  
Firm Registration No. 128032W

  
**Sandeep Batra**

Partner  
Membership No: 093320  
Place: Gurgaon  
Date: 18 September 2015

For and on behalf of the Board of Directors of  
**Care India Solutions For Sustainable Development**



**Nachiket Mor**  
Director

Place: New Delhi  
Date: 18 September 2015



**Rajan Bahadur**  
Managing Director & CEO

Place: New Delhi  
Date: 18 September 2015

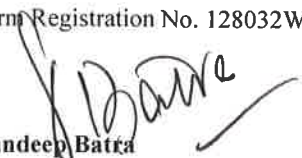
**Care India Solutions For Sustainable Development**  
**Cash Flow Statement for the year ended 31 March 2015**  
(All amounts are in Indian Rupees unless otherwise stated)

	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>A. Cash flow from operating activities</b>		
Excess of expense over income	(49,661,493)	162,851,275
Adjustments for:		
- Fixed assets purchased charged off in project expenses	58,173,068	14,734,237
Working capital adjustments:		
- Decrease / (increase) in loans and advances	28,023,175	(47,663,781)
- Increase / (decrease) in trade payables	20,279,853	(28,859,917)
- Increase in provisions for employees benefits	21,805,216	8,707,230
- Increase in other liabilities	10,656,508	2,210,426
- (Decrease) in disaster management fund	-	(1,197)
Net cash from operating activities	89,276,327	111,978,273
Income tax paid (including tax deducted at source)	(5,911,361)	(998,238)
<b>Net cash generated from operations</b>	<b>83,364,966</b>	<b>110,980,035</b>
<b>B. Cash flow from investing activities</b>		
Interest received from fixed deposits	1,683,740	1,449,544
Purchase of fixed assets	(58,173,068)	(14,734,237)
Movement in other bank balances	58,207,856	12,972,116
<b>Net cash used for investing activities</b>	<b>1,718,528</b>	<b>(312,577)</b>
<b>C. Cash flow from financing activities</b>		
	-	-
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>85,083,494</b>	<b>110,667,458</b>
Cash and cash equivalents at the beginning of the year	166,638,177	55,970,719
<b>Cash and cash equivalents at the end of the year</b>	<b>251,721,671</b>	<b>166,638,177</b>
Components of cash and cash equivalents:		
Cash in hand	200	200
Balances with scheduled banks	251,721,471	166,637,977
	<b>251,721,671</b>	<b>166,638,177</b>

The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS) - 3 on 'Cash Flow Statements' as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014

As per our report of even date attached

For **B S R & Company**  
Chartered Accountants  
Firm Registration No. 128032W

  
**Sandeep Batra**  
Partner  
Membership No: 093320  
Place: Gurgaon  
Date: 18 September 2015

For and on behalf of the Board of Directors of  
**Care India Solutions For Sustainable Development**

  
**Nachiket Mor**  
Director

Place: New Delhi  
Date: 18 September 2015

  
**Rajan Bahadur**  
Managing Director & CEO

Place: New Delhi  
Date: 18 September 2015



## Care India Solutions for Sustainable Development

### Significant Accounting Policies for the year ended March 31, 2015

#### 1. Background

Care India Solutions for Sustainable Development (CISSD) ("the Company") was incorporated in India on 14 May 2008. The Company is registered as Section 8 company under the provisions of Companies Act, 2013.

The main focus area is to eradicate poverty and social injustice from India through well-planned and comprehensive programmes in health, education, livelihoods and disaster preparedness and response.

The overall goal is the empowerment of women and girls from poor and marginalized communities leading to improvement in their lives and livelihoods.

#### 2. Significant accounting policies

##### a) Basis of preparation and presentation of financial statements

The financial statements have been prepared and presented under the historical cost convention on a going concern basis on an accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 and accounting principles generally accepted in India and comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable. In the previous year ended 31 March 2014 the Company was a Small and Medium Sized Company ("SMC") as defined in the General instructions in respect of Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company. For this financial year, the Company falls in the category of ("Non SMC") as defined in the General instructions in respect of Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the relevant standards or requirements become applicable from the current year and the figures for the corresponding period of the previous accounting year need not be revised merely by reason of its having ceased to be an "SMC".

##### *Current and non-current classification*

The financial statements are presented as per Schedule III to the Companies Act, 2013. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule III to the Companies Act, 2013.

Based on the nature of activities of the Company, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

All assets and liabilities are classified into current and non-current based on below criteria:

##### **Assets**

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date; or



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## Care India Solutions for Sustainable Development

### Significant Accounting Policies for the year ended March 31, 2015

- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### b) Use of estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### c) Fixed assets and depreciation/ amortisation

##### *Tangible fixed assets*

- (i) Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of tangible assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.
- (ii) Up to March 31, 2014, depreciation was provided on pro-rata basis as per written down value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956 and assets individually costing up to Rs. 5,000 were fully depreciated in the year of purchase.

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rate on fixed assets as per the useful life specified in Part 'C' of Schedule II to the Act. As a result of this change, the depreciation charge till March 31, 2015 is higher by Rs. 104,42,077. In respect of assets whose useful life already expired as on April 1, 2014, depreciation of Rs.229,945 has been shown in Income and Expenditure A/c.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.



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## Care India Solutions for Sustainable Development

### Significant Accounting Policies for the year ended March 31, 2015

#### *Intangible fixed assets*

Intangible fixed assets are stated at cost less any accumulated amortization and impairment losses, if any. The cost includes taxes and other incidental expenses related to the acquisition and implementation of the respective assets.

Intangible assets (computer software) is amortised over the period of license/ useful life. Amortisation on additions/ deletions is provided on pro-rata basis from/ upto the date of such additions/ deletions.

#### **d) Impairment of assets**

In accordance with Accounting Standard 28 (AS 28) on 'Impairment of assets', the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets is estimated at the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and loss.

#### **e) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances on hand, cash and deposits with bank and highly liquid investments with original maturities, at the date of purchase/investment, of three months or less.

#### **f) Foreign currency transactions**

Foreign currency transactions are recorded into Indian rupees by applying to the foreign currency amount the exchange rate between Indian rupees and the foreign currency on/or closely approximating to the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date or at the time of settlement are translated into Indian rupees at the exchange rates on that date.

#### **g) Revenue recognition:-**

Grants and donations received from donors are recognized on cash basis.

Interest income is recognized on accrual basis when there is reasonable certainty of its ultimate realization/ collection.

#### **h) Employee benefits**

##### **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognised in the Income & Expenditure Account in the period in which the employee renders the related service and measured accordingly.



## Care India Solutions for Sustainable Development

### Significant Accounting Policies for the year ended March 31, 2015

#### Long term employee benefits

##### (i) *Defined contribution plan*

Provident fund is a defined contribution scheme. Contributions payable to the provident fund are charged to the Income and Expenditure Account

##### (ii) *Defined benefit plans*

The Company's gratuity benefit scheme is a defined benefit plan. Liability of the Company towards gratuity is calculated on arithmetical basis.

##### (iii) *Other long-term employment benefits*

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability by the company. As per the policy of the company the liability towards leave encashment is calculated on full liability basis.

#### i) **Leases**

Lease rentals under an operating lease, are recognized as an expense in the Income and Expenditure Account on a straight line basis over the lease term.

#### j) **Taxation**

The Company is having a license to operate under section 8 of the Companies Act, 2013 & Certificate of registration U/s.12A of the Income Tax Act, 1956 and accordingly is not liable to pay Income Tax under Income Tax Act, 1961.

#### k) **Earnings per share**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### l) **Provisions and contingent liabilities**

The Company creates a provision when there exist a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements.





**Care India Solutions For Sustainable Development**  
**Notes to financial statements for the year ended 31 March 2015**  
(All amounts are in Indian Rupees unless otherwise stated)

**3 Share capital**

**Authorised capital**

100,000 (previous year 100,000) equity shares of Rs.10 each

	As at 31 March 2015	As at 31 March 2014
100,000 (previous year 100,000) equity shares of Rs.10 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

**Issued, subscribed and paid-up**

20 (previous year 20) equity shares of Rs. 10 each fully paid up

20 (previous year 20) equity shares of Rs. 10 each fully paid up	200	200
	<u>200</u>	<u>200</u>

**1) Rights, preferences and restrictions attached to the equity shares**

Each holder of equity shares is entitled one vote per share. The Company is registered under Section 8 of the Companies Act, 2013, it is prohibited from the payment of any dividend to its members. In the event of liquidation of the Company, the remaining assets of the Company, shall be given or transferred to some other Association or company or companies registered under Section 8 of the Companies Act, 2013 having objects similar to the objects of the Company to be determined by the members of the Company at or before the time of dissolution.

**2) The reconciliation of the shares outstanding at the beginning and end of the year**

	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Balance at the beginning and end of the year	20	200	20	200

**3) The details of shareholders holding more than 5% shares is as follows**

	As at 31 March 2015		As at 31 March 2014	
Name of shareholders	Number	% of total shares in the class	Number	% of total shares in the class
<b>Equity shares</b>				
Dr. Nachiket Mor	10	50%	10	50%
Mr. Kamal Sharma	10	50%	10	50%

*SM*



*[Signature]*



**Care India Solutions For Sustainable Development**  
**Notes to financial statements for the year ended 31 March 2015**  
(All amounts are in Indian Rupees unless otherwise stated)

	<u>Year ended 31 March 2015</u>	<u>Year ended 31 March 2014</u>
<b>4 Reserves and surplus</b>		
<b>a) General fund</b>		
Opening balance	77,553,034	68,853,260
Add Amount transferred from income and expenditure	(49,661,493)	162,851,275
Add-Amount transferred from grant receivable account	75,132,309	(12,439,922)
Less- Amount transferred to unutilised grant account	(18,561,314)	141,711,579
<b>Closing balance</b>	<b><u>121,585,164</u></b>	<b><u>77,553,034</u></b>
<b>b) Disaster management fund</b>		
Opening balance	-	1,197
Add: Additions made during the year	-	-
	-	<b><u>1,197</u></b>
Less: Material purchased for disaster management activities	-	1,197
<b>Closing balance</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>c) Sustainability fund</b>		
Opening balance	6,000,000	6,000,000
<b>Closing balance</b>	<b><u>6,000,000</u></b>	<b><u>6,000,000</u></b>
<b>d) Asset fund account</b>		
Opening balance	17,014,417	5,037,802
Add: Assets purchased during the year	58,173,068	14,734,237
	75,187,485	19,772,039
Less :		
Transferred to income and expenditure account	23,220,136	2,757,622
Adjustment		
Net value of assets lost	-	-
<b>Closing balance</b>	<b><u>51,967,349</u></b>	<b><u>17,014,417</u></b>
<b>Grand total</b>	<b><u>179,552,513</u></b>	<b><u>100,567,451</u></b>




**Care India Solutions For Sustainable Development**  
**Notes to financial statements for the year ended 31 March 2015**  
(All amounts are in Indian Rupees unless otherwise stated)

**5 Trade payables**

Trade payables\*

- dues to micro and small enterprises
- dues to other than micro and small enterprises

\* Refer note 19

As at 31 March 2015	As at 31 March 2014
27,081,000	6,801,147
<u>27,081,000</u>	<u>6,801,147</u>

**6 Other current liabilities**

- Employee related payables
- Unutilised grants
- Other statutory dues

As at 31 March 2015	As at 31 March 2014
5,127,846	387,109
185,613,063	204,174,377
14,067,204	8,151,433
<u>204,808,113</u>	<u>212,712,919</u>

**7 Short-term provisions**

Provision for employee benefits

- Gratuity
- Compensated absences

As at 31 March 2015	As at 31 March 2014
13,305,567	4,051,270
20,663,496	8,112,577
<u>33,969,063</u>	<u>12,163,847</u>

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**Care India Solutions For Sustainable Development**  
**Notes to financial statements for the year ended 31 March 2015**  
 (All amounts are in Indian Rupees unless otherwise stated)

**8 Fixed assets**

Particulars	Gross block			Accumulated depreciation/ amortisation			Net block as at 31 March 2015
	as at 1 April 2014	additions	as at 31 March 2015	as at 1 April 2014	for the year	as at 31 March 2015	
<b>Tangible assets</b>							
Computers	16,174,838	15,550,551	31,725,389	4,637,975	11,503,175	16,141,150	15,584,239
Furniture and fixtures	1,904,510	9,122,056	11,026,566	337,581	2,035,196	2,372,777	8,653,789
Vehicles	2,193,608	10,154,952	12,348,560	1,285,395	2,149,090	3,434,485	8,914,075
Office equipment	3,885,360	21,621,521	25,506,881	959,737	7,158,270	8,118,007	17,388,874
<b>Total tangible assets</b>	<b>24,158,316</b>	<b>56,449,080</b>	<b>80,607,396</b>	<b>7,220,688</b>	<b>22,845,731</b>	<b>30,066,419</b>	<b>50,540,977</b>
<b>Intangible assets</b>							
Software	289,060	1,723,988	2,013,048	212,271	374,405	586,676	1,426,372
<b>Total</b>	<b>24,447,376</b>	<b>58,173,068</b>	<b>82,620,444</b>	<b>7,432,959</b>	<b>23,220,136</b>	<b>30,653,095</b>	<b>51,967,349</b>

Particulars	Gross block			Accumulated depreciation/ amortisation			Net block as at 31 March 2014
	as at 1 April 2013	additions	as at 31 March 2014	as at 1 April 2013	for the year	as at 31 March 2014	
<b>Tangible assets</b>							
Computers	4,294,785	11,880,053	16,174,838	2,758,039	1,879,936	4,637,975	11,536,863
Furniture and fixtures	672,398	1,232,112	1,904,510	199,717	137,864	337,581	1,566,929
Vehicles	2,193,608	-	2,193,608	968,115	317,280	1,285,395	908,213
Office equipment	2,313,373	1,571,987	3,885,360	579,057	380,680	959,737	2,925,623
<b>Total tangible assets</b>	<b>9,474,164</b>	<b>14,684,152</b>	<b>24,158,316</b>	<b>4,504,928</b>	<b>2,715,760</b>	<b>7,220,688</b>	<b>16,937,628</b>
<b>Intangible assets</b>							
Software	238,975	50,085	289,060	170,409	41,862	212,271	76,789
<b>Total</b>	<b>9,713,139</b>	<b>14,734,237</b>	<b>24,447,376</b>	<b>4,675,337</b>	<b>2,757,622</b>	<b>7,432,959</b>	<b>17,014,417</b>



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**Care India Solutions For Sustainable Development**  
**Notes to financial statements for the year ended 31 March 2015**  
(All amounts are in Indian Rupees unless otherwise stated)

**9 Long-term loans and advances**

*(unsecured, considered good unless otherwise stated)*

**To parties other than related parties**

Security deposits

Loan to service providers

Amount paid against income tax appeal

As at 31 March 2015	As at 31 March 2014
3,448,006	601,256
-	500,000
6,706,858	-
<b>10,154,864</b>	<b>1,101,256</b>

**10 Cash and bank balances**

**Cash and cash equivalents**

Cash in hand

Balance with scheduled banks

- on savings accounts

- on deposits with banks with maturity of less than 3 months

**Other bank balances**

Deposits with banks with maturity of less than 12 months

As at 31 March 2015	As at 31 March 2014
200	200
251,721,471	166,637,977
-	20,372,464
2,744,562	40,579,954
<b>254,466,233</b>	<b>227,590,595</b>

**11 Short-term loans and advances**

*(unsecured, considered good unless otherwise stated)*

**To parties other than related parties**

Security deposits

Loan to service providers

Grant receivable

TDS receivable

Loans and advances to employees

Project advances

As at 31 March 2015	As at 31 March 2014
1,696,500	-
-	6,500,000
94,637,965	19,505,655
2,684,076	3,479,573
4,004,953	2,594,956
25,696,303	52,672,725
<b>128,719,797</b>	<b>84,752,909</b>

**12 Other current assets**

*(unsecured, considered good unless otherwise stated)*

Interest accrued but not due on fixed deposits

As at 31 March 2015	As at 31 March 2014
102,646	1,786,387
<b>102,646</b>	<b>1,786,387</b>

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**Care India Solutions For Sustainable Development**

**Notes to financial statements for the year ended 31 March 2015**

(All amounts are in Indian Rupees unless otherwise stated)

13 Grants and donations received	Year ended 31 March 2015	Year ended 31 March 2014
Grants and donations received	1,656,862,211	802,590,055
	<u>1,656,862,211</u>	<u>802,590,055</u>
14 Other income	Year ended 31 March 2015	Year ended 31 March 2014
Interest on fixed deposit	4,474,060	5,868,134
Interest on saving bank account	11,225,736	5,129,877
Interest on others	144,613	109,679
Recovery of administrative cost from project	4,161,800	5,110,042
Recovery of quality assurance and oversight cost from projects	19,066,841	11,009,354
	<u>39,073,050</u>	<u>27,227,086</u>
15 Project expenses	Year ended 31 March 2015	Year ended 31 March 2014
Salary, wages and bonus	322,943,177	108,180,810
Contribution to provident fund	18,870,985	5,152,554
Gratuity	9,373,732	469,386
Staff welfare	1,585,388	125,200
Rent	20,241,706	4,519,207
Repairs and maintenance:		
- Office equipment's	2,369,676	896,821
- Building	7,159,771	
- Computers	1,857,048	301,515
Communication expenses	20,449,528	1,922,557
Legal and professional fees	630,259,747	283,775,216
Payment to auditor's	-	92,421
Travelling expenses	144,719,039	41,789,357
Insurance	3,157,559	939,431
Advertisement	5,592,514	370,559
Quality assurance cost	103,939,982	30,051,079
Office supplies	17,546,751	2,962,114
Administrative costs	4,161,800	5,110,042
Printing and stationary	17,023,820	2,312,951
Bank charges	1,018,456	831,292
Fixed assets purchased	55,382,370	14,681,584
Other expenses	7,994,755	1,115,179
	<u>1,395,647,804</u>	<u>505,599,275</u>

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**Care India Solutions For Sustainable Development**  
**Notes to financial statements for the year ended 31 March 2015**  
(All amounts are in Indian Rupees unless otherwise stated)

<b>16 Other administrative expenses</b>	<b>Year ended 31 March 2015</b>	<b>Year ended 31 March 2014</b>
Salary, wages and bonus	458,927	1,609,763
Rent	-	143,371
Repairs and maintenance:		
- Office equipment's	-	912
- Computers	42,054	25,343
Communication expenses	31,102	61,803
Legal and professional fees	4,429,851	8,502,859
Payment to auditor's	-	1,516,860
Travelling expenses	799,670	2,778,485
Insurance	19,101	44,481
Staff welfare	22,230	658,069
Training expenses	177,845	570,632
Postage and courier	-	102
Office supplies	9,930	57,163
Bank charges	27,890	2,390
Other expenses	170,701	1,328,861
Fixed assets purchased	-	52,653
Interest on tds	29,790	342
	<b>6,219,091</b>	<b>17,354,089</b>

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**Care India Solutions For Sustainable Development**  
**Notes to the financial statements for the year ending 31 March 2015**

**17. Receipts in foreign exchange and expenditure incurred in foreign currency**

*Earnings in foreign currency*

<b>Grant and Donations Received</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
Adenwala Zaheer Singapore	50,271	-
British Broadcasting Corporation, UK	21,040,875	24,973,659
Care Canada	1,628,118	-
Care France	23,470,757	1,565,007
Care Int. Deutschland E.V	-	876,559
Care International UK	329,998,548	411,636,731
Care USA	1,015,175,173	113,728,124
Family Health International	75,883,824	25,148,024
Foundation Care International	-	5,809,788
Option Consultancy Services	20,546,401	12,568,553
Sterling CIUK-BIG	6,902,725	34,932,144
UPS Foundation Inc	-	6,712,055
<b>Total</b>	<b>1,494,696,692</b>	<b>637,950,644</b>

*Expenditure in Foreign Currency*

<b>Nature of Expenses</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
Legal and professional fees	65,88,343	49,43,351
Travelling expenses	16,65,559	-
<b>Total</b>	<b>82,53,902</b>	<b>49,43,351</b>

**18. Legal and professional expenses include auditor's remuneration (exclusive of service tax):**

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
Statutory audit	1,800,000	1,150,000
Other certifications and out of pocket expenses	200,000	200,000
	<b>2,000,000</b>	<b>1,350,000</b>

**19. Dues to micro and small enterprises**

The Company has paid the amounts payable to micro, small and medium enterprises in time as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified from the available information.

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**Care India Solutions For Sustainable Development**  
**Notes to the financial statements for the year ending 31 March 2015**

20. The Company has taken certain cancelable and non-cancelable operating leases for commercial and residential accommodation and vehicles. Lease payments charged during the year in the Income and Expenditure Account is Rs. 2,02,41,706 (previous year Rs. 4,662,578). The total of future minimum lease payments under non-cancelable operating leases for each of the following periods is as follows:

Particulars	For the year ended 31 March 2015
Not later than one year	542,850
Later than one year and not later than five years	-
	542,850

21. **Earnings per share**

The computation of basic/diluted earnings per share is set out below:

	For the year ended 31 March 2015	For the year ended 31 March 2014
Excess of income over expenditure attributable to equity shareholders (Rs.)	(49,661,493)	162,851,275
Weighted average number of equity shares outstanding during the year	20	20
Nominal value per share (Rs.)	10	10
Basic (earnings) per share (Rs.)	(2,483,075)	8,142,564

22. During the year 2012-13, the Company had received foreign contribution from two parties, situated outside India, aggregating Rs. 283,255,616 (including Rs. 267,629,262 received in the year 2011-12) without obtaining prior permission from Ministry of Home Affairs (MHA). The said funds were received in bank account maintained for local funds and the Foreign Inward Remittance Certificates relating to this foreign contribution indicates that these funds have been received by the Company for Business and Management Consultancy and Public Relations. This had also resulted in non-compliance of Section 17(1) of the Foreign Contribution (Regulation) Act, 2010 as the foreign funds were received in the bank account maintained for local funds. The Company had indicated to us that these funds are grants to be characterized as Foreign Contribution and these are not for any services liable for any tax in India. The Company has filed the necessary condonation application with the MHA. The Company believes that since it has voluntarily disclosed the factual information, MHA may take a favorable view and it may not be liable for any material liability in this regard.
23. The Company is recognizing its Grants and Donations income on cash basis and not on accrual basis. This policy is consistently followed by the Company from the previous years.
24. The Company has recognized the retirement liability related to gratuity and leave encashment on an arithmetical basis instead of providing it on an actuarial basis. The Company believes that the arithmetical valuation of these liabilities represents the best estimate and is consistently following up this method of accounting in its financial statements.



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**Care India Solutions For Sustainable Development**  
**Notes to the financial statements for the year ending 31 March 2015**

25. Since the company is registered with the Income Tax Authorities U/s.12A and its activities falls under the definition of "charitable purpose" as defined in section 2(15) of the Income Tax Act, 1961 accordingly, has not created any provision for income tax in its books of accounts.
26. The Company's provident fund scheme is defined contribution plan. The expense is charged to the Income and Expenditure Account under the head contribution to provident and other funds.

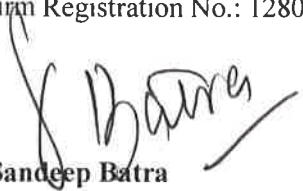
**27. Contingent liabilities**

Particulars	As at 31 March 2015	As at 31 March 2014
Claims against the Company not acknowledged as debt*	65,761,960	21,360,300

\* The Company has received demands from the income tax authorities in respect of assessment years 2011-12 and 2012-13 amounting to Rs. 2.14 crore and Rs. 4.44 crore respectively which have been contested by the Company before appellate authorities.

28. Recovery of Quality Assurance, Oversight and Administrative Costs from projects represents the common administrative expenses incurred with no specific budget line item and charged to projects budgets in allocation as per agreement with donors and reported as income. However the expenses incurred by the Company against these recoveries are more and have been met out of own resources.
29. The Company is engaged in charitable activities which are not distinguishable on the basis of risk and return and hence the Company views the same as single business segment. Further, these charitable activities are being catered in India only and hence there are no separate reportable geographical segments. Accordingly, no separate disclosures in respect of primary and secondary segment have been provided.
30. The previous year figures have been regrouped/ reclassified, wherever necessary, to confirm to the current year's classification/ presentation.

*For B S R & Company*  
*Chartered Accountants*  
 Firm Registration No.: 128032W

  
**Sandeep Batra**  
*Partner*  
 Membership No.: 093320

Place: Gurgaon  
 Date: 18 September 2015

*For and on behalf of the Board of Directors of*  
**Care India Solutions For Sustainable Development**

  
**Nachiket Mor**  
*Director*

Place: New Delhi  
 Date: 18 September 2015

  
**Rajan Bahadur**  
*Managing Director & CEO*

Place: New Delhi  
 Date : 18 September 2015